



JUL 20 2005

The Honorable Rick Perry
Governor of Texas
Post Office Box 12428
Austin, Texas 78711

Dear Governor Perry:

It is with pleasure that I respond to the State of Texas' requests for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act.

Requested Waiver 1: Waiver of the obligation-based procedures for recapture and reallocation of local area funds at WIA Section 133(c) and 20 CFR 667.160.

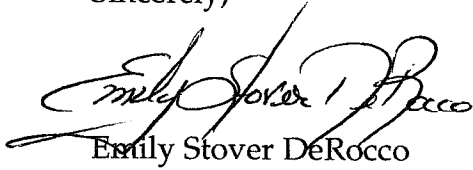
Under the proposed waiver, the state would have the discretion to consider additional factors in determining local area eligibility for a reallocation of recaptured funds, including demonstrated need and ability to use additional funds, and local board performance in the current and prior program years. The waiver request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, the state is granted a waiver of the reallocation procedures at 20 CFR 667.160 to permit the state to implement the proposed policy described in its request, through June 30, 2007.

Requested Waiver 2: Waiver of WIA Section 136(c) to allow greater flexibility when contracting performance measure with local workforce boards.

The state is requesting the flexibility to modify local board performance measures. The state indicates it will continue to track and report the 17 core indicators of performance and customer satisfaction at both the state and local board level. The state is interested in developing board-contracted measures that support integration. The request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). Accordingly, we are granting a waiver of WIA Section 136(c), which defines the local area performance measure indicators and the methodology for local areas to negotiate and reach agreement on the local area performance based on the state adjusted levels. Under this waiver, the state will continue to meet applicable state performance requirements at WIA Section 136(b). This waiver is granted, with an effective date of July 1, 2005, through June 30, 2007.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", written in a cursive style.

Emily Stover DeRocco

Enclosure